

ASC PTY LTD

**20
16**

Key Management
Personnel
Compensation
Report



www.asc.com.au

Key Management Personnel Remuneration

ASC's key management personnel (KMP) include ASC's Board of Directors and those Senior Executives whom hold authority and responsibility for planning, directing and controlling ASC's strategic direction. ASC KMP include KMP for both ASC Pty Ltd and its subsidiary ASC Shipbuilding Pty Limited.

The remuneration of ASC's Board of Directors and ASC Pty Ltd CEO is in accordance with the relevant determination of the Remuneration Tribunal.

A summary of Senior Executive remuneration for the financial year 2015/16 is included at Table 1.

ASC's approach to senior executive remuneration is below.

Senior Executive Remuneration Overview

ASC Pty Ltd's Senior Executive remuneration structure has been developed to ensure that its Senior Executives are remunerated commensurate with the market and incentivised to deliver against the corporate objectives. ASC's Senior Executive remuneration is structured with a total fixed remuneration (TFR) amount together with a short term incentive (STI) payment should the required company performance and individual objectives be achieved.

Setting Senior Executive Remuneration

ASC Senior Executive remuneration packages are developed so as to ensure the total remuneration amount is competitive when compared to similar organisations.

ASC Senior Executive TFR consists of salaries and wages, allowances and other non-monetary benefits, annual leave and superannuation. When establishing an appropriate TFR for an ASC Senior Executive the following elements are considered:

- Market data;
- Risk and complexity of the role;
- The Executive's experience and skills;
- Performance; and
- Internal relativity within the Senior Executive.

As a Government Business Enterprise, ASC adheres to the Australian Public Service Commission Workplace Bargaining Policy 2015.

Benchmarking and review of Senior Executive remuneration

ASC Senior Executive roles are independently benchmarked annually against reference market data gathered from market research and augmented with survey data.

The ASC Board's, Human Resource and Remuneration Committee, reviews Senior Executive remuneration packages annually to ensure they are reflective of company and individual performance, and market conditions as well as any relevant Remuneration Tribunal determinations. The ASC Board is responsible for the approval of Senior Executive remuneration packages and the award of annual individual STIs following recommendations from the Human Resource and Remuneration Committee.

Linking company and individual performance to STI payments

To ensure that ASC's strategic objectives are achieved each Senior Executive remuneration package contains a portion of 'at risk' remuneration paid as an STI payment. The STI program is a core element of ASC's Senior Executive remuneration package as it is tied directly to the successful completion of both company and individually assigned objectives which are directly aligned to ASC's strategy and are set out in relevant Board approved Game Plans. The STI allows ASC to:

- Incentivise the delivery of corporate objectives aligned to ASC's strategy.
- Reward Senior Executives that have contributed to ASC's success during the performance period.

Table 1 - COMPENSATION OF KEY MANAGEMENT PERSONNEL FOR THE 2015/16 FINANCIAL YEAR

		Short-term benefits				Post-	Other long-	Termination	Total Compensation
		Base Pay (1)	STI Accrual	Annual Leave Accrual (2)	Non-cash benefits	employment	term benefits	benefits	
						Employer Super	Long Services Leave Accrued (3)	(4)	
		\$	\$	\$	\$	\$	\$	\$	
Key Management Personal									
ASC Pty Ltd									
S Whiley	INTERIM CHIEF EXECUTIVE OFFICER	476,275	88,535	18,728	4,800	35,000	11,067	-	634,406
P Gay	GENERAL MANAGER - COLLINS CLASS SUBMARINE PROJECT	312,013	58,544	2,994	17,270	30,000	7,703	-	428,524
W Hoad	GENERAL COUNSEL AND COMPANY SECRETARY	261,027	53,392	9,327	13,493	33,918	7,025	-	378,183
A Menadue	ASC CHIEF FINANCIAL OFFICER & GM FINANCE SHIPBUILDING	305,045	62,540	5,867	20,990	30,000	7,817	-	432,259
Total:		1,354,361	263,011	36,916	56,553	128,918	33,613	0	1,873,372
ASC Shipbuilding									
M Lamarre	CHIEF EXECUTIVE OFFICER ASC SHIPBUILDING PTY LTD	2,010,543	472,000	-12,760	113,560	0	23,600	-	2,601,943
M Edwards	CHIEF OPERATING OFFICER	405,535	72,842	-13,075	31,760	35,000	9,585	-	541,647
Total:		2,416,078	544,842	-25,835	145,320	35,000	33,185	0	3,148,589
Grand Total:		3,770,439	807,853	11,081	201,873	163,918	66,797	0	5,021,961

Notes:

1. Base pay includes annual leave taken and allowances paid
2. Annual leave accrued per annum less annual leave taken
3. Long service leave relates to amounts accrued during the relevant period
4. Termination benefits include payment of statutory benefits for long service leave and annual leave, which have previously been accrued

Recognition and Measurement

Short-term employee benefits

Short-term employee benefits include salaries and wages (inclusive of salary sacrificed items and any applicable fringe benefits tax), allowances and other non-monetary benefits (including any applicable fringe benefits tax) and the cost of annual leave accrued within the financial year. A liability is also recognised for short-term incentives incurred during the financial year.

Long-term employee benefits

The long service leave benefit represents amounts accrued during the financial year with respect to an employee. The group's liability for long service leave is measured as the present value of expected future payments to be made in respect of services provided by the employees up to the end of the reporting period.

Post-employment benefits

Superannuation contributions (including superannuation guarantee contributions) paid into superannuation plans nominated by employees are recognised as an expense as they become payable.

Termination benefits

Benefits are payable when employment is terminated and an expense is incurred based on an agreed formal plan to terminate current employees without the probability of withdrawal. Other payments in relation to termination such as annual leave and long service leave are also included, even where the cost of these has been accrued in previous years.

Total Fixed Compensation

Total fixed compensation includes salaries and wages, allowances and other non-monetary benefits, annual leave and superannuation.

Total Compensation

Total compensation includes total fixed compensation plus short-term and long-term incentives, long service leave and termination benefits.